STATE OF NEW YORK

10816

IN ASSEMBLY

April 1, 2026

Introduced by M. of A. LUNSFORD -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to the classification of resident entrance fees for residents of continuing care retirement communities

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public health law is amended by adding a new section 4610-a to read as follows:

§ 4610-a. Resident entrance fees; statutory obligation upon insolvency. 1. For purposes of this article, a resident entrance fee shall be deemed an advance payment for housing, care, or services not yet rendered and shall not be deemed fully earned upon receipt.

2. To the extent that housing, care, or services for which a resident entrance fee was paid are not provided, the operator who accepted such entrance fee shall be obligated to refund the unearned portion of such fee to the resident. Such obligation shall exist notwithstanding the terms of any resident contract or agreement.

3. In any insolvency, receivership, or bankruptcy proceeding against an operator, the obligation described in subdivision two of this section shall constitute a statutory obligation and shall not be deemed a general unsecured claim for contractual damages.

4. Any agreement or contract provision intended to waive or limit the application of this section shall be void as against public policy.

§ 2. This act shall take effect immediately.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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